



“Working Together to Make Trade Work”

OUTREACH May 15, 2015

Thank you for your membership in and work with NAEGA

Member Opportunities

- NAEGA Contract Seminars – Minneapolis June 2-4 – Tentative Kansas City June 25-26
- Chicago, IL – USSEC Sustainability Conference – June 2-3, 2015
- London, England – International Grain Trade Coalition and International Grains Council – June 8 and 9, 2015
- New Orleans, LA – USGC Mexico Biosafety Regulators – June 25, 2015
- Big Sky, Montana – PNWER Annual Summit – July 12-16, 2015
- Puerto Vallarta, Mexico – APPAMEX/NAEGA Forum – August 13-15, 2015

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- Completion of 2014 GOMAI
- NAEGA/NGFA Industry Workshop
- NAEGA NGFA Joint Committee Meeting

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Member Opportunities

NAEGA Contract Seminars – Minneapolis First Week in June – Kansas City June 25-26

The NAEGA Contracts Committee is again providing for Seminars to provide in depth and interactive education on contract practices. NAEGA Seminars are conducted in two different ways: 1. “Private” funded and designed for a single member company and attended by persons invited by that member company or 2. “General” funded by registration fees, designed to cover the interests of many companies and attended by persons from several companies. In most cases the Seminars provide for intensive review of current developments and practices in international grain trade contracts and often focused on the NAEGA II. In depth examination of regulatory compliance, NAEGA services and policy concerns can also be added content for a Seminar that is

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designed to meet your needs. On June 2nd and 3rd, NAEGA Senior Advisor, Sam Bonilla, and Director of Operations, Kyle Liske, will be conducting a Private seminar in Inver Grove Heights, Minnesota.

We have tentative plans for a General Seminar in Kansas City on **June 25 and 26**. **Invitations for General Seminars are sent to NAEGA member company representatives.**

We have several open dates during which additional Seminars may be conducted. Currently July 20-31 and August 1-11, 17-21 are available. Please let us know if you would like to discuss options for holding a seminar at your convenience.

Chicago, IL – USSEC Sustainability Conference – June 2-3, 2015

NAEGA President and CEO, Gary Martin will speak at the U.S. Soybean Export Council’s (USSEC) U.S. Soy Sustainability Forum for U.S. Industry and U.S. Soy Family at the Hyatt Regency Chicago O’Hare hotel on June 3rd. Gary will speak on the “Industry Perspective on Sustainability” at 11:30am on June 3. NAEGA members are welcome to attend. A copy of the proposed agenda can be found [here](#).

London, England - International Grain Trade Coalition and International Grains Council – June 8 and 9, 2015

An IGTC roundtable and policy meeting will be conducted the day before the International Grains Council (IGC) conference on June 9.

The June 8 International Grain Trade Coalition meeting is open to all IGTC Members and Corporate Stakeholders. You and colleagues are welcomed and encouraged to attend the June 8 IGTC meeting. Please contact Gary or Kyle so we may provide you with related information.

The June 9 IGC Conference requires registration with the International Grain Council. Please contact us if you would like to take advantage of a discounted registration. Click here for more information on the IGC Conference: <http://www.igc.int/en/conference/confhome.aspx>.

NAEGA Market Access Program funds may be available to fund NAEGA member personnel travel and attendance at the IGTC meeting as well as to the IGC Conference. Please contact Gary or Kyle for additional details.

New Orleans, LA – USGC Mexico Biosafety Regulators – June 25, 2015 Gary 5-11 2:10

NAEGA will join the U.S. Grains Council (USGC) in New Orleans as they host a team of biotech regulators from Mexico to educate them on the U.S. grain export system. NAEGA members are invited to join the group for lunch on Thursday, June 25th at 12:00pm noon. Please contact us for details.

Big Sky, Montana – PNWER Annual Summit – July 12-16, 2015

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The 25th Pacific Northwest Economic Region (PNWER) Annual Summit brings together over 500 key business leaders, legislators, and government leaders from the ten PNWER states, provinces, and territories to address the major policy issues impacting the region.

This year’s summit will be held in Big Sky, Montana from July 12-16. [Please click here to register.](#)

Puerto Vallarta, Mexico – APPAMEX/NAEGA Forum – August 13-15, 2015

The 22nd APPAMEX/NAEGA Forum will take place in Puerto Vallarta, Mexico at the [Hyatt Ziva Hotel](#) from August 13-15. The registration fee will be \$380 USD for participants. Invitation and more details will soon be available.

[Full Details on Upcoming Events can be found in the Meetings & Events Section of the NAEGA Member’s Only Page.](#)

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Reports on NAEGA Actions

Biotechnology Coexistence Comments

NAEGA joined a group of agri-business associations, including Corn Refiners Association (CRA), National Grain and Feed Association (NGFA), National Oilseed Processors Association (NOPA), and North American Millers’ Association (NAMA) in submitting joint comments to USDA Animal and Plant Health Inspection Service (APHIS) on biotechnology coexistence.

The [joint comments](#) noted that coexistence should include domestic and export supply chains, as it relates to major market approvals for Genetically Engineered (GE) crops, as well as commodity and specialty supply chains, as it relates to commercialization of products with unique functional characteristics (PUFCs) instead of focusing only on coexistence between commodity and organic agriculture. The three core elements of coexistence should be: 1. Risk Assessment 2. Risk Management, and 3. Risk Responsibility.

NAEGA President, Gary Martin, also submitted supplementary [comments](#). His supplementary comments supported the joint comments, but stressed the need for a more inclusive consideration of coexistence to include non-GMO conventional supply of grains and oilseeds, new plant breeding technologies, and overall fungibility of US grains and oilseeds in the scope of work.

Chinese Phytosanitary Measures

NAEGA continues to work with USDA Animal and Plant Health Inspection Service (APHIS) to address the concerns of China’s The General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) related to plant pest presence shipments of grain and oilseeds. Upon hearing from APHIS of current circumstances related to sorghum milo shipments, NAEGA

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convened a special task group of Members to consider how we might proceed. The Task Group will supplement the ongoing efforts of the Grades and Inspections Committee.

If you would like to be included in NAEGA’s work in this regard please let us know.

Completion of 2014 GOMAI

NAEGA, along with U.S. Grains Council (USGC) and the U.S. Soybean Export Council (USSEC) contracted with Agralytica, Inc. to prepare an update to the Grain & Oilseed Market Access Index (GOMAI) for the year ending December 31, 2014. The GOMAI provides an analysis of U.S. grain and oilseed access in foreign markets and to assist NAEGA in addressing potential trade barriers. A core objective of the GOMAI is to serve, in an ongoing fashion, as a credible indicator of market access barriers and measure the efficacy of NAEGA activities intended to improve access in international markets for coarse grains, oilseeds and wheat. As such, the GOMAI focuses on artificial barriers, including tariff and non-tariff measures.

NAEGA uses the GOMAI in the development of our annual Unified Export Strategy (UES) application for Market Access Program (MAP) funds from USDA. The final reports for Corn, Soybean, and Wheat access are posted to the [International Programs webpage](#) of the Member’s Only Site.

NAEGA/NGFA Industry Workshop

NAEGA & NGFA hosted a regional Industry Workshop in Kenner, LA with U.S. Government officials from the Federal Grain Inspection Service (FGIS), Animal and Plant Health Inspection Service (APHIS), Food and Drug Administration, (FDA) and the U.S. Coast Guard (USCG). The agenda for the workshop can be found [through this link](#).

The purpose of the Workshop was to expand understanding and identify needs related to Grain and Oilseed exports and maintain connections between industry and the U.S. Government. A similar Workshop will likely be held in the Pacific Northwest in the late summer.

NAEGA NGFA Joint Committee Meeting

Just prior to the Industry Workshop, NAEGA’s Grades and Inspections Committee met with jointly with the NGFA Grades and Weights Committee. Our current joint and high priority work is to provide for improvements to U.S. Federal Grain Inspection Service (FGIS) via the reauthorization of U.S. Grain Standards, which was examined in depth at the meeting.

Importantly the committees encouraged industry awareness of the U.S. Occupational Health and Safety Administration revised standard for hazard communications.

An industry guidance document can be found here: <http://www.ngfa.org/wp-content/uploads/2012-GHS-Guidance-Documents-FINAL.pdf>

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The NAEGA Grades and Inspections Committee also requested the review of the NAEGA Contracts Committee to consider implications for the buyers and sellers of grains and oilseeds destined for international commerce.

For instance the Contracts Committee has been asked to review the application of Clause 17 of the NAEGA 2 Model Contract which presumably would result in sellers of U.S. grains providing to the buyer at least once a year or whenever a change is made Safety Data Sheets (SDS) for U.S. grains and oilseeds as is required under the OSHA changes to Hazard Communication.

Another consideration may be in how imports are treated under the new rules. We understand the under the revised standard, importers in the U.S. are considered "classifiers;" therefore, it is their responsibility to "classify" grain as a hazard once received. As a result, a U.S. grain elevator receiving grain from a Canadian company must provide for an SDS as part of its hazard communication obligations. However, the Canadian company could provide an SDS to its U.S. customer voluntarily.

NAEGA is considering making comments on the following items. Please contact us with your advice or suggestions:

2015

June 22 – Comments to USDA Animal and Plant Health Inspection Service (APHIS) on the regulation of biotechnology products: <http://www.regulations.gov/#!docketDetail;D=APHIS-2015-0036>

NAEGA Actions on Current Issues are tracked on the Member's Only Section under their relevant committee pages.

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Information for your Consideration

China Export Subsidies Challenged at WTO

The World Trade Organization (WTO) recently established a dispute settlement panel to review a case examining whether certain Chinese measures providing export-contingent subsidies to enterprises in several industrial sectors, including agriculture.

According to [The Office of the U.S. Trade Representative \(USTR\)](#), it appears that China provides export-contingent subsidies through a program establishing “Foreign Trade Transformation and Upgrading Demonstration Bases” and “Common Service Platforms.” Demonstration bases are industrial clusters of enterprises in several industries, including textiles, agriculture, medical products, light industry, special chemical engineering, new materials, and hardware and building materials. Common service platforms are service suppliers designated by China to provide services to enterprises in demonstration bases. The U.S. alleges that these services include export-contingent subsidies, such as discounted or free services or the provision of grants, which violate the express prohibition on export subsidies in WTO rules.

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Trade Promotion Authority

Trade Promotion Authority (TPA) has recently seen some action in the U.S. Congress. The Senate agreed to debate the TPA legislation and will likely take up the bill next week.

TPA would expedite congressional consideration of the Trans Pacific Partnership (TPP).

The Obama administration released a [report](#) highlighting the positive effects of enhanced U.S. trade and free trade agreements. The report’s findings counter the arguments of those who say these agreements will leave the U.S. worse off.

As might be expected, the report emphasizes the importance of exports to the U.S. economy and the role of Free Trade Agreements (FTAs) in expanding outbound shipments. Studies show that export-intensive industries pay workers up to 18 percent more, and the average industry’s export growth over the past 20 years translated into \$1,300 in higher annual earnings for the typical middle-class worker. During the same period export increases also yielded an eight percent gain in labor productivity.

There are benefits on the import side as well, the report acknowledges. About half of all U.S. imports are inputs that businesses use to produce final goods, which lowers production costs by making a greater variety of inputs available at lower prices. Trade also allows U.S. consumers to buy a wider variety of goods at lower prices. The reduction in U.S. tariffs since 1945 has contributed an additional 7.3 percent to U.S. GDP.

If you would like more information or wish to provide comments on any of these news topics monitored by NAEGA, please contact us.

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NAEGA Calendar & Member Notices

2015

May

28 – Washington, DC – US Coast Guard Workshop for Alternative Security Program (ASP) sponsoring organizations – 1501 M Street, NW, Suite 500 – Jerry Cotter attending and representing NGFA and NAEGA ASP.

June

2 – Washington, DC – International Trade Commission (ITC) Public Hearing on economic effects of the Cuban embargo.

2-3 – Milan, Italy – 2nd World Agroforum organized by Russia at the World EXPO – Marcel Bruins of IGTC speaking.

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2-3 – Chicago, IL – USSEC Sustainability Conference – Hyatt Regency Chicago O’Hare – Gary Martin speaking on June 3.

2-3 – Minneapolis, MN – NAEGA Contracting Seminar – Sam Bonilla and Kyle Liske presenting

8 – London, United Kingdom – International Grain Trade Coalition Roundtable and Policy Discussion. All IGTC Members and Corporate Stakeholders are invited and encouraged to participate in person at all sessions. IGTC members and corporate stakeholders are also encouraged to invite prospective IGTC members and Stakeholders to participate. Unless otherwise notified the sessions will all be conducted at: GAFTA office, 9 Lincoln’s Inn Fields, London WC2A 3BP, UK. Please notify Marcel Bruins via email at mbruins1964@gmail.com or Kyle Liske via email at Kliske@naega.org, by telephone +1 202 682 4030 or Fax +1 202 682 4033 of your intentions to attend in person. Gary Martin & Marcel will be at the meeting.

9 – London, United Kingdom – International Grains Council 2015 Conference – 86-90 Park Lane, London W1K 7TN. Gary attending.

25 – New Orleans, LA – US Grains Council hosting Mexican biosafety regulators – Gary Martin presenting.

29 – July 1 – Geneva, Switzerland – UN Globally Harmonized System (GHS) Subcommittee meeting – Jerry Cotter attending.

July

12-16 – Big Sky, Montana – 2015 Pacific Northwest Economic Region (PNWER) Annual Summit <http://www.pnwer.org/2015summit.html>

14-15 – U.S. Agriculture Export Development Council (USAEDC) Attaché Seminar – Location TBD.

August

13-15 – Puerto Vallarta, Mexico – 2015 APPAMEX-NAEGA Forum – [Hyatt Ziva Hotel](#).

September

14-18 – London, United Kingdom – International Maritime Organization (IMO) Carriage of Cargoes and Containers (CCC) Meeting – Jerry Cotter attending.

21 - London, England - Chatham House expert workshop on Chokepoints and Vulnerabilities in the Global Food Trade. This meeting forms part of a Chatham House research project which seeks to map chokepoints, vulnerabilities and disruptive risks onto major production hubs and global trade routes for coarse grains, soybeans and fertilizers. It will identify supply chain nodes – including producing regions, inland transport networks, ports in exporting and importing countries, and maritime corridors – that are particularly exposed to disruption. Jerry Cotter attending and

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representing NAEGA. Jerry will present on the major challenges facing grain and fertilizer trade in the US, with a particular focus on the resilience and capacity of inland transportation and port infrastructure.

22 – Washington, DC – 2015 OFAC Fall Symposia

30 – October 2 – Vancouver, British Columbia – International Dry Bulk Terminals Group (DBTG) Annual Meeting – Jerry Cotter attending.

November

16-19 – USADEC Annual Workshop – Location TBD.

17-20 – Amsterdam, The Netherlands – International Genetically Modified Conference on Coexistence (GMCC-15) Conference.

December

9-11 – Geneva, Switzerland – Globally Harmonized System (GHS) Subcommittee meeting – Jerry Cotter attending.

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